

MAYOR & COUNCIL AGENDA COVER SHEET

MEETING DATE:

July 10, 2006

CALL TO PODIUM:

Fred Felton
Assistant City Manager

RESPONSIBLE STAFF:

Louise Kauffmann
Director of Community
Development

Fred Felton

AGENDA ITEM:

(please check one)

<input type="checkbox"/>	Presentation
<input type="checkbox"/>	Proclamation/Certificate
<input type="checkbox"/>	Appointment
<input type="checkbox"/>	Public Hearing
<input type="checkbox"/>	Historic District
<input type="checkbox"/>	Consent Item
<input type="checkbox"/>	Ordinance
<input checked="" type="checkbox"/>	Resolution
<input type="checkbox"/>	Policy Discussion
<input type="checkbox"/>	Work Session Discussion Item
<input type="checkbox"/>	Other:

PUBLIC HEARING HISTORY:

(Please complete this section if agenda item is a public hearing)

Introduced	
Advertised	
Hearing Date	
Record Held Open	
Policy Discussion	

TITLE:

Resolution of Mayor and City Council Approving the Acquisition and Operation of Forest Oak Towers by the Housing Opportunities Commission of Montgomery County

SUPPORTING BACKGROUND:

The Housing Opportunities Commission of Montgomery County, the County's Housing Authority, has a contract to purchase Forest Oak Towers, located at 101 Oden'hal Road in Gaithersburg. This "project-based Section 8" residential facility, built in 1981, is home to 175 low-income elderly and disabled households.

Pursuant to the terms of the tax credit financing application, enabling the Housing Opportunities Commission (HOC) to purchase the building, the City must approve the acquisition and operation of the facility.

The City has expressed great interest in preserving this residential community for low-income elderly persons as there are few other affordable rental facilities for elderly and disabled persons in Gaithersburg. HOC's acquisition and operation of the building will ensure the long-term affordability of the facility.

DESIRED OUTCOME:

Vote on Resolution

RESOLUTION NO. _____

RESOLUTION OF THE MAYOR AND CITY COUNCIL APPROVING THE
ACQUISITION AND OPERATION OF FOREST OAK TOWERS BY THE HOUSING
OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

WHEREAS, the City of Gaithersburg is a municipal corporation chartered under Article 23A of the Annotated Code of Maryland; and

WHEREAS, Forest Oaks Towers, a 175 Unit apartment facility, currently owned by Forest Oak Limited Partnership ("Owner"), is located within the geographic boundaries of the City of Gaithersburg at 101 Oden'hal Avenue; and

WHEREAS, the owner has entered into a Contract of Sale (the "Contract of Sale"), with the Housing Opportunities Commission of Montgomery County (the "Commission"), for its purchase and sale; and

WHEREAS, the Commission is the housing authority for Montgomery County whose area of operation is the entire territorial limits of Montgomery County except for cities for which a housing authority may be created within such boundaries, unless the governing body of the city consents to its inclusion in the area of operation; and

WHEREAS, the Commission has advised the City that it intends to own and operate Forest Oak Towers in its own name upon completion of compliance with provisions of the Contract of Sale; and

WHEREAS, the Commission has advised that it intends to own and operate Forest Oak Towers through a limited liability company in which it is the general partner under the provisions of Section 42 of the Internal Revenue Code of 1986 upon completion of compliance with provisions of the Contract of Sale; and

WHEREAS, the City believes that this acquisition is in the best interest of the residents of Forest Oak Towers and recognizes the benefits and advantages of permitting the Commission to operate Forest Oak Towers because of its expertise and knowledge in management of facilities of like style in other parts of the County; and

WHEREAS, the acquisition by the Commission and its continued operation of Forest Oak Towers will allow the property to continue to be operated for the benefit of elderly persons of low and moderate income, many of whom have been longtime residents of the City of Gaithersburg.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Gaithersburg, that it approves the acquisition and operation of Forest Oak Towers by the Housing Opportunities Commission, a building within its geographic boundaries, that this approval shall be applicable only to Forest Oak Towers, and that the Commission shall apply to the City for approval of any subsequent acquisitions within the geographic boundaries of the City of Gaithersburg.

ADOPTED by the City Council this 10th day of July, 2006.

SIDNEY A. KATZ, MAYOR and
President of the Council

THIS IS TO CERTIFY that the foregoing
Resolution was adopted by the City Council
in public meeting assembled on the
10th day of July, 2006.

David B. Humpton, City Manager